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1.

During that period rail communication with Harbin and beyond was abnormal a large part of the time, first while the gauge of the line beyond Harbin was being restored to standard from USSR broad gauge and later during the fighting between the Nationalists and Communists. As a result commodities which would normally have arrived by rail from the USSR were brought in by ship from Vladivostok. Also coal and firewood for local consumption in Dairen instead of being obtained from Manchurian sources and brought in by rail were shipped in from the Maritime Province and from Saghalien. Such seaborne freight was all for use in Dairen itself or by the army detachments stationed in the Dairen-Port Arthur area, say as far north as Pulantien near the northern boundary of the former Leased Territory of Kuantung. Because the freight was for local use, normally it was moved from the wharves by motor trucks and not by railway cars. The only exceptions were cargoes of coal or firewood for Soviet army detachments outside of Dairen. These would be discharged direct from the ship into open gondola cars. Under the abnormal conditions then existing there was no difficulty in obtaining the few cars needed and in any case the railway for most of this period operated under military control.

2. General import cargo, of which there was then a considerable amount, was discharged into wharfside godowns. These godowns were leased by the Port Authority to consignee firms, most of which were USSR government corporations. The principal one was SPETZTORG (Special Selling Mercantile Organization). The consignee moved his cargo from his godown by truck as he required it. As the godown was leased to him the question of free storage time or of a maximum storage period in the Port godowns did not arise.

3. During this period some export cargo consisting of grain was shipped. The grain arrived by open gondola freight cars and was discharged

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immediately on to the wharves or on to outdoor storage space in the general vicinity of the wharves, however not always immediately adjacent to them. The cars were returned empty at once to Dairen Central Station. This was by order of the military and does not necessarily or even probably represent the policy of the present railway management. However it may still be the practice because even now [] there is no normal two-way trade in the port. After the outbreak of the war in Korea movement of cargo from eastern Siberian ports to Dairen virtually ceased. The only USSR ships to enter Dairen after the outbreak of the Korean war have been ships coming in for repairs in the Dairen Dockyards. They carry little, if any, cargo either inbound or outbound.

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25X1X 4. [] the trade carried on by the foreign flag ships, mainly Panamanian and British, which occasionally visit Dairen or how their inbound and outbound cargo is handled.

25X1X 5. The waterborne trade between Tientsin and Dairen is unimportant. Only two small ships are engaged in it.

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6. A two mile spur line connected the Dairen Mechanical Works, [] with the main line at a suburban station. Because of the nature of its products (such items as cranes, gasoline storage tanks, etc) the Works normally required flatbed cars to make shipments. Despite the fact that these were usually priority shipments destined to Korea or to USSR or Chinese government factories, the Works always had trouble in obtaining cars promptly. The average delay was two to three days. The loading time allowed was six hours after receipt of the cars, and this was rigidly enforced. The Works did not have proper mechanical loading equipment and had to improvise by building ramps from the ground to car level and using sleds. However by dint of employing extra loading gangs the loading time limit was usually met. [] annoyance was the inability to get advance notice of the time when the cars would be available. The first intimation would come from the suburban station at the end of the spur line two miles away. [] work to have shipments ready at the end of a week. But if, for example, we requisitioned cars for Friday, we would not know whether they would be delivered on Friday, Saturday, Sunday or Monday, and meanwhile had to keep men standing by.

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7. While the loading time limit was strictly enforced, frequently after we had delivered the loaded cars to the railway, they would remain up to three or four days in the yards at Dairen Central Station. This might be in order to make up a full train for a particular destination; or it might be because the railway administration was using engine-use as an efficiency yardstick rather than car-use. [] the railway administration used different coefficients at different times. The only one they never used was an over-all cost sheet.

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8. The Soviet system puts unreasonable emphasis on deadlines. As a result a factory manager will meet a deadline even if it means turning out inferior work. Once he receives his shipping documents from the railway his responsibility ends. This makes for a great shipping rush at the year end.

9. The flatbed cars used by the Dairen Mechanical Works for its shipments were chiefly Manchurian railway cars, but a few, perhaps 10%, were USSR cars re-gauged to standard. These were easily identifiable because they carried buffers as well as the standard automatic knuckle couplings. Some of the USSR cars were of US manufacture. Those of USSR manufacture were always all metal cars welded throughout, never riveted. The USSR cars were 50 tons capacity and the Manchurian cars 30 tons capacity. [] Chinese railway [] as distinct from Manchurian railway [] flatbeds because they were shorter than the Manchurian or USSR cars. [] frequently had to load one piece of equipment on two cars. [] however, frequently seen Peking-Mukden line covered freight cars [] in use on the railway at Dairen.

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10. Occasionally the Dairen Mechanical Works shipped by open [] gondola [] cars and these were more easily obtainable than flatbed cars. [] the Works

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executed an order for 10 thousand iron army cots which were shipped by rail to some destination in the Maritime Province. These went in open gondola cars, and we had no trouble getting them.

11. Shipments from the Dairen Mechanical Works were usually of bulky pieces of machinery or equipment, for example, bridge cranes or gasoline storage tanks. A crane might require two flatbed cars to accommodate its length. Consequently the cars were seldom loaded to full capacity by weight. The railway authorities were well aware of the kind of freight the Works shipped and never raised the question of capacity loading.
12. The Works delivery responsibility ended when we received shipping documents from the railway and I do not know how long it took shipments to reach their destinations.
13. The Dairen Mechanical Works was one component of an industrial "trest" complex and ordinarily the Works would requisition on the "trest" for raw materials. The "trest" would place the orders and the Works would know nothing of the matter until the cargo arrived. This was the procedure, for example, in the case of iron/steel supplies from Anshan. Therefore how long these shipments took. Occasionally to save time the Works would be authorized to purchase materials direct in case of high priority orders. This was done in the case of the materials required for the army cot order mentioned above. The shipment took three or four days from the factory in Harbin to the Dairen Mechanical Works, that is the time required to move the material from the factory to the railway in Harbin and from the Central Station Dairen to the Works is included. This was special priority cargo, it was all shipped in carload lots and it came by through express freight. Therefore the time cannot be taken as typical.

14. South-bound freight into Dairen consisted chiefly of:

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- (a) Coal for local use
- (b) Steel for local use in the factories and the Dairen Dockyard
- (c) Beans for local oil mills and for export. Bean cakes, the residue after the oil is extracted, are exported.
- (d) Machinery and machinery spareparts from the USSR for local installations.
- (e) Some grain and other produce partly for local use and partly for export.

15. what import cargo, if any, moved north over the railroad in . Local metal products were shipped north, a considerable part to Korea. Included were shovels and other hand tools, machinery, gasoline storage tanks 15 to 30 tons capacity, and pontoons.

16. how many freight trains ran in each direction per day.

17. The Mukden-Dairen railroad line was single track as was also the Port Arthur-Dairen line. The Japanese pulled up the second track about 1943. In 1945/46 the Soviet military shipped all the stored rails to the USSR. They were reported also to have pulled up a thousand kilometers of rail line in eastern Manchuria near the USSR border know if this report is true. Bridging on the Mukden-Dairen line typically consisted of duplicate single track bridges, one for each of the two tracks. A large proportion of the bridges were blown up by either the Japanese, the Nationalists or the Communists. When the bridges were rebuilt only one single track span was put in.

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18. The railroad work shops in Dairen are situated as shown on the city plan of Dairen in Janis 74 Chapter VIII, figure 3. cannot vouch for the information, that the railroad work shops were scheduled to produce 500 covered box ? freight cars in the program. No other plant in Dairen built railroad cars. There was talk of plans to use the Dairen Mechanical Works to build freight cars but not know if anything came of the plans. where the railway work shops obtained the wheels for the cars they built. Their own casting department, was not large enough to produce the number required for 500 cars. The cars were destined for use in Manchuria, not

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in China proper, and certainly not for the USSR. [] already that some USSR built cars are in use on the Manchurian railroads after being re-gauged.

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19. The Dairen Mechanical Works filled one order about [] for certain of the parts required for 150 or 200 knuckle couplings. The Works did not produce the complete couplings. The equipment in the Dairen Mechanical Works was not well adapted to work of this sort. The Works informed the authorities that if the authorities would give the Works regular annual orders, the Works would install equipment to handle the orders, but up until [] this had not been done.

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20. Generally speaking, the industrial and commercial picture in Dairen [] was one of provincial or more precisely regional autarchy. Dairen was an important industrial center for southern Manchuria, but virtually all of the raw materials used were of Manchurian origin and the manufactured products were destined primarily for local use and secondarily for Manchurian use. There was no important amount of trade with China proper. Whether or not this state of affairs will continue, [] But in Tientsin the Chinese have another industrial center which is better suited to supplying the northern part of China proper than is Dairen. Overseas foreign trade in Dairen is also of small importance to the economy of Dairen. []

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